

The Burst Energy Bubble

In 1995 there was a burst of newspaper coverage for the idea of co-operative ownership of United Energy – the first state electricity company to be privatised. The campaign originated by Co-operative Energy Ltd led to the establishment of Southern Energy Co-operative Ltd – a local co-operative that could assume ownership of United Energy.

While the publicity provoked interest, it was minimal and was not sustained. It was not surprising, therefore, that newspaper coverage of the idea faded as quickly as it appeared. Neither Co-operative Energy Ltd or its offspring Southern Energy Co-operative Ltd were able to generate and maintain significant momentum. Too many individuals and organisations were puzzled by co-operative ownership and could not understand its relevance and practicality. It was an idea before and beyond its time. The initial burst of newspaper articles has been reproduced.

David Griffiths

Southern Energy Co-operative Ltd

Co-operative Energy Ltd News Releases

Power Co-op Meetings, 19 January 1995

Meetings on Power Co-op, 1 February 1995

Co-operative Challenge to United Energy, 22 February 1995

Energy Co-operative News Stories

"Yes" to power coo-op plan

The Bayside Times, 26 April 1995

Energy sale sparks community action

The Bayside Times, 19 April 1995, p 3

Users' plan on energy

Doncaster and Templestowe News, 12 April 1995, p 17

Electricity users to fight for control

Nunawading Gazette, 12 April 1995, p 1

Energy boss favors co-op case: claim

The Independent, 4 April 1995, p 17

Co-operative raises plan to run power co-operative

The Age, 24 February 1995, p 4

Co-operative ownership the best option

The Ovens and Murray Advertiser, 15 February, 1995, p 5

Power group gets support

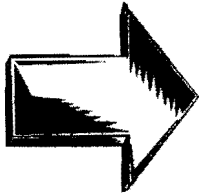
The Independent, 7 February 1995, p 9

Bid For power Co-op

The Independent, 17 January 1995, p 1

Co-op power talks called

The Independent, 14 January 1995, p 5



Co-operative Energy Ltd
71 Franciscan Avenue
Frankston
Victoria 3199

NEWS RELEASE POWER CO-OP MEETINGS

Two public meetings are being organized in Frankston to discuss the privatisation of the area's electric distribution company - United Energy.

The meetings have been initiated by Co-operative Energy Ltd which is promoting and supporting the development of electric co-operatives.

The meetings will be at 3.00 p.m. and 7.30 p.m., 30 January 1995, at the Central Park Cafe - near the Frankston library.

The Secretary of Co-operative Energy Ltd, Mr. David Griffiths, a resident of Frankston, said the meetings would give people the opportunity to consider the co-operative option for United Energy - instead of its privatisation.

Mr. Griffiths said that under private ownership the public interest responsibilities of United Energy would gradually disappear.

"The imperative will be returning a profit to the investor owners."

Mr. Griffiths said that under co-operative ownership electric consumers would become the owner-members.

"The meeting will give people the opportunity to discuss the co-operative option - what it is, how it works and why it succeeds the U.S.A."

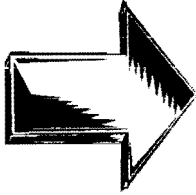
He said it was an opportunity to discuss why the government was restructuring the electric industry, what were the costs and benefits of this restructuring for whom and how co-operatives could enhance the benefits.

"Electric co-operatives are ideal because co-operatives work for their members and their communities."

Mr Griffiths said it was disappointing that neither the Government nor the Opposition had acknowledged the co-operative option.

"It's up to us to make the co-operative option a reality that cannot be ignored."

19 January 1995



Co-operative Energy Ltd

71 Franciscan Avenue
Frankston
Victoria 3199

News Release

Meetings on Power Co-op

Two public meetings in Frankston on 30 January 1995 have discussed co-operative ownership of United Energy.

The meetings were initiated by Co-operative Energy Ltd to enable Frankston residents to consider the co-operative option for the area's electricity distribution company, United Energy.

The meetings were held at the Central Park Cafe in the afternoon and evening to maximize attendance by interested residents.

The Secretary of Co-operative Energy Ltd, Mr. David Griffiths, said that the meetings had endorsed pursuing the co-operative option as an alternative to the privatisation of the electricity industry.

"Two broad options were discussed - a cooperative buying United Energy and a co-operative purchasing power from United Energy or any other power supplier for its members."

He said that two resolutions were adopted at the evening public meeting - supporting co-operative ownership of United Energy and asking local newspapers to continue publicizing the co-operative option.

"We have the technology," he said, "which would enable a co-operative to purchase power from whoever it liked. We are not dependent on United Energy."

"The more members we have the greater the threat to United Energy which assumes that its householders and small business are captive consumers."

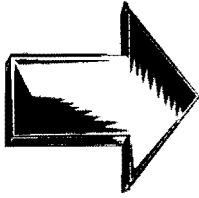
Mr. Griffiths said that the metering technology available liberated small energy consumers from being the captive consumers of specific distribution companies.

"Smart meters can empower consumers."

He said that a Co-operative Feasibility Steering Committee had been formed from the public meetings to develop the proposal further and plan for more public meetings.

"We're also hopeful that workers in United Energy might grasp the co-operative idea. After all, they are also consumers of electricity."

1 February 1995



Co-operative Energy Ltd
71 Franciscan Avenue
Frankston
Victoria 3199

NEWS RELEASE

CO-OPERATIVE CHALLENGE TO UNITED ENERGY

A public meeting will be held next month to form a new co-operative and launch a campaign for co-operative ownership of United Energy.

This was decided at a meeting in Frankston on 20 February 1995 attended by United Energy consumers and workers.

The meeting decision followed three previous meetings - two in Frankston and one in Hampton Park.

All the meetings have been organized by Co-operative Energy Ltd which was established in 1994 to promote electric co-operatives.

The Secretary of Co-operative Energy Ltd, Mr. David Griffiths, said that United Energy consumers and workers at the meetings were committed to the co-operative option.

He said that there were three compelling reasons for co-operative ownership of United Energy.

"First, continuing Australian ownership would be guaranteed. A co-operative cannot have foreign shareholders. The electric consumers served by United Energy would be the owners with one vote per member. An Australian owned private utility is always susceptible to foreign takeover because the shares are tradable."

"Second, retaining with and returning to United Energy the experience and expertise of electric workers. The restructuring of the electric industry has led to a loss of workers and their skills and we can't afford to lose any more. Foreign owners would not replace this experience and expertise."

"Third, a co-operative United Energy would enable the electric consumers and their communities served by the utility to retain ownership of the distribution company. After all, for over 75 years generations of Victorians have created the assets of the S.E.C.V. and its successor bodies."

Mr. Griffiths said that a meeting on 27 February 1995 would finalize the name,

aim and rules of the new co-operative and plan the campaign strategy.

He said that Co-operative Energy Ltd would assist the new co-operative.

"An information kit is being prepared so that all consumers can consider the co-operative option for United Energy."

"We'll be holding public meetings in every municipality in the United Energy service area and we'll meet with any interested groups."

Mr. Griffiths challenged local MP's to support the co-operative option.

"It's time for MP's to support their communities instead of espousing the dogma of their own parties."

"The co-operative option is realistic - if we want it," he said.

22 February 1995

Users' plan on energy

A GROUP of electricity consumers is mounting an ambitious campaign to buy United Energy.

The government says it has 50 potential buyers interested in buying the electricity supplier formed by the merger of part of the SEC with the Box Hill and Doncaster Templestowe councils' electricity departments.

It hopes to get \$500 million to \$900 million from the sale, 4.8 per cent of which will go to Manningham Council.

The consumer group, calling itself Southern Energy, hopes to prevent the utility falling into foreign ownership. A spokesman for the group, Mr David Griffiths, acknowledged the

by JANET BLAIR

plan was ambitious but said it was not impossible.

Members of the group intending to form the co-operative were already "in discussion with financial interests", he said.

Mr Griffiths said the first step was for Southern Energy to apply for registration as a co-operative. Then it needed to build up membership.

"The group hoped to have at least 2000 members by the end of the year," he said.

Anyone could become a member of the co-operative by buying shares which the group planned to sell for \$10 each.

Under the co-operative model,

each shareholder, regardless of the size of his or her holding, had an equal say in the running of the co-op.

However, bigger shareholders would receive larger rebates.

He said the group had a fall-back plan if United Energy was sold before the co-operative could raise the finance. A co-operative of domestic users could use its bulk buying power to get electricity deals for households in the same way as business consumers, he said.

A spokesman for the Treasurer, Mr Stockdale, said information on United Energy had been distributed to about 50 prospective foreign and domestic buyers. He expected the company to be sold by mid-year.

Mr Griffiths can be contacted on 629-3277 or 775-5901.

A puzzling message

CONFUSED residents protesting the name change of Doncaster-Templestowe to Manningham last week wanted to know what was in store for the city.

Last week, the *News* received a call from a bemused resident who had received a letter from chief commissioner Adam Kempton.

It read: "The significance of the new name is that it flags change. The new name carries a strong message that a cultural change is underway in local government and in this municipality in particular."

However, the letter goes on to declare: "In endorsing the name Manningham, we are sending a message that this new municipality will replicate the past."

What then, the resident asked the *News*, will the name really do? Replicate the past or flag change?

"The contradictions are diametrical. If these new leaders cannot even write a simple letter, what hope have we got?" she asked.

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Energy boss favors co-op case: claim

STATEMENTS by United Energy chief executive officer, Mr Noel Faulkner, inadvertently supports co-operative ownership of power supplies.

This is the claim of Frankston resident David Griffiths who represents a group of United Energy consumers applying for registration as a co-operative.

"Mr Faulkner's reported arguments demonstrate the undesirability of private ownership and the desirability of co-operative ownership of United Energy," Mr Griffiths said.

"Job losses will not improve

customer service."

Mr Griffiths said that it was difficult for workers to be empowered or enthused with improving services when their jobs were at risk.

"Mr Faulkner claims United Energy is being restructured to benefit consumers. What he really means is that United Energy is being prepared for potential buyers."

Mr Griffiths suggested that the United Energy management was trying to protect their own jobs - not the needs of consumers.

"The assumption seems to be

that private or public owners can and should determine policies for consumers.

"Electric consumers are the real owners of United Energy and should be determining its policies."

Mr Griffiths said that co-operative ownership would allow consumers to determine the quality of service they required.

"Private ownership will deny consumers a say."

Mr Griffiths said that electric co-operatives in the USA recognised that quality of service depended on consumer ownership and empowered workers.

Feel right at home in 'hospital'

THE "Hospital in the Home" program is now well under way with funding of \$326,400 being made available for the project.

Member for Frankston, Graeme Weideman said the program aims to provide acute health care normally provided in hospital inpatient settings, to people in their own homes, hostels or similar supported accommodation.

• John Gould was one of the first patients in Frankston to receive Hospital in the Home program treatment. He is pictured with his wife and Graeme Weideman, after receiving health care in his own home.



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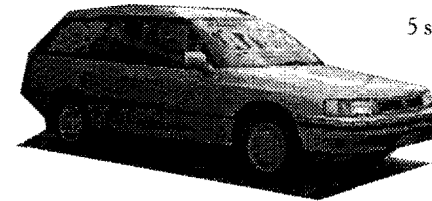
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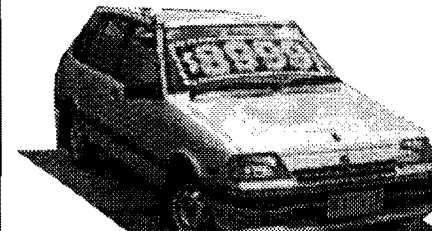
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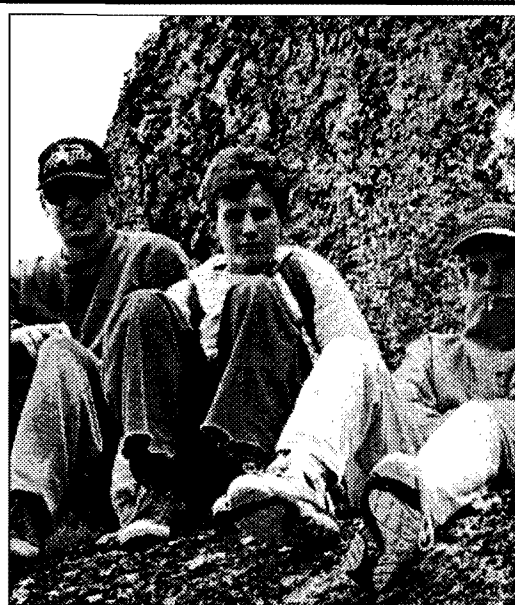
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A GROUP of 40 Mornington peninsula young people climbed Mount Kosciusko from January 8 to 15, also facing challenges such as rock climbing, water and jet skiing and white water rafting.

The Snowy Mountains adventure brought together young people from Melbourne, Sydney, Canberra and northern New South Wales. Young Life is a non-denominational Christian based organisation that works with high school aged people mostly between Year 9 and Year 12.

Caller is sick of the US

FRANKSTON City Council switchboard operator Lynne Thornber has been doing some ambassadorial work of late.

At around 8.20am last Wednesday morning Lynne took her first call for the day. For the next three quarters of an hour a New Orleans man wanting to purchase about 20 acres of land in the Frankston CBD chatted with Lynne about life in Australia.

Wayne Thomas, his wife and two daughters, are sick of life in the States.

At the time of his call, he told Lynne there was a Mardi Gras happening in the street and it was 7am. None of it appealed to him.

"He wanted to know if we had Real Estate agents

Co-op power talks called

TWO public meetings will be held to discuss the privatisation of the area's electric distribution company, United Energy.

Nearly 40 people contacted the Frankston Independent office in Wells St regarding last week's front page Independent story. Secretary of Co-operative Energy Ltd and Frankston resident David Griffiths said on Friday he was "surprised and delighted" at the response the article had attracted.

The meetings will be on January 30, at 3pm and again at 7.30pm at the Central Park Cafe near the Frankston Library.

Mr Griffiths said the meetings would give people the opportunity to consider the cooperative option for United Energy, instead of its privatisation: "what it is, how it works and why it succeeds in the USA."

"I guess if we get a reasonable attendance at these meetings and people grasp the cooperative idea then we're on a bit of a roll, which means there's going to be a lot of hard work."

"But that's how these things start. It's not daunting."

"We've written to about 35 business groups, community groups, in the Frankston area inviting them to

send a representative to one of the meetings."

When asked if discussion about cooperative ownership was coming too late, Mr Griffiths said "It's never too late." United Energy is likely to be sold within the next three months.

A spokesman for United Energy said on Friday that there most probably wouldn't be a United Energy representative attending the meetings, since "it's more an issue for the government."

Mr Griffiths argument for cooperative ownership of the power company is that under private ownership "the public interest responsibilities of United Energy would gradually disappear."

"The imperative will be returning a profit to the investor owners."

"Electric cooperatives are ideal because co-operatives work for their members and their communities."

He said it was "an opportunity to discuss why the government was restructuring the electric industry, what were the costs and benefits of this restructuring for whom and how cooperatives could enhance the benefits."

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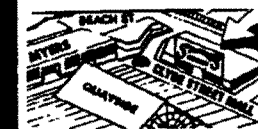
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Energy sale sparks community action

A GROUP of Highbett residents are among a community body which wants to buy electricity supplier United Energy.

The group, Southern Energy, wants to buy United which is due to be sold by the State Government by June 30, Frankston-based spokesman David Griffiths said last week.

United Energy will be the first of five electricity supply companies sold.

Spokesman for Brighton MLA and Treasurer Alan Stockdale, Gavin Clancy, told the Bayside Times in January that United Energy had made "the greatest progress in

By Jodie Guest

terms of appropriate structures to assist the sale since the SEC was split".

Mr Griffiths said Southern Energy, which was headed by a small company called Co-operative Energy, had a core membership of about eight people.

Mr Griffiths would not specify names of interested Bayside residents.

He hoped a co-operative would be registered by mid-May at the latest, when people could join and become shareholders.

A recent report in The

Age said that a co-operative scheme would need support from up to 10,000 United Energy workers and consumers before it could be successful.

The co-operative would also need up to \$600 million in finance before the scheme could go ahead.

Mr Griffiths acknowledged it was unlikely that the State Government would sell to a local co-operative when it has actively sought overseas buyers.

But he said it was essential to try "to see what kind of support there is (for a co-operative)".

"If enough support is

generated we may have some influence on the government.

"The government has said that individual households will eventually be able to choose between electricity suppliers, but that's not likely to happen because a household is too small a unit.

"But if lots of households get together there will be purchasing power," he said.

United Energy supplies electricity to 514,000 consumers in an area from Ringwood to Dandenong, across to Frankston and throughout the Mornington Peninsula.



Kiddies learn by doing

YOUNGSTER
Johnny Janover (above)

Johnny, 10, was making a wooden aeroplane with a battery.

Jonathon said children taking part in Learning by Doing

Anti-suicide program planned

YOUTH suicides could be slowed following handing over of a State Government grant to the Bayside Youth Resource Centre.

Youth worker Hamish Hay accepted a cheque for \$13,000 from Sandringham MLA Murray Thomp-

Family mediation service

SOUTHERN Family Life has introduced a mediation and reconciliation program for young people and their families.

The program, which has been funded by the Office of Youth Affairs for three years, aims to resolve conflict in families with a view to preventing youth homelessness or encouraging ongoing communication if a young person

"The recent success of similar programs indicates that mediation is often successful in helping families achieve workable agreements regarding issues over which there has previously been conflict.

"In addition, families often report that following mediation, they are more able to use discussions and negotiation to resolve

Mediation involves the young person and their family negotiating an agreement with the assistance of a third, neutral person.

Ms Pernitzis said mediation could be appropriate if family members were willing to work rationally at clarifying issues over which there was conflict, were prepared to discuss their individual needs, and

Power group gets support

COOPERATIVE Energy Ltd has been overwhelmed by community response to their campaign to have cooperative models of ownership put on the agenda before the state's electrical companies are sold to private enterprise.

Two public meetings held in Frankston last week discussed cooperative ownership of United Energy. About 30 people attended the meetings.

Cooperative Energy secretary David Griffiths said two broad options were discussed at the meeting: "a cooperative buying United Energy and a co-operative purchasing power from

United Energy or any other power supplier for its members."

Mr Griffiths said "we have the technology which would enable a co-operative to purchase power from whoever it liked. We are not dependent on United Energy."

Membership

"The more members we have the greater threat to United Energy which assumes that its householders and small business are captive consumers."

Mr Griffiths said that the metering technology available liberated small energy consumers from being the captive consumers of specific distribution companies.

Out of the meetings

a local committee has been formed and Director of Co-operative Energy Ltd Bill McPherson said a formation meeting would be held soon to form a Frankston Co-operative.

"We're very pleased with the local response. In addition to the meetings we've had a number of phone calls offering support."

"We're proceeding to see how it's possible to demonstrate a financial interest in United Energy."

Mr McPherson said he was "overwhelmed by the feeling of support that something should be done about the electricity situation and that it shouldn't be sold outside Australia."

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Jet ski 'a burning question'

FRANKSTON City Council commissioners will look at ways of better policing jet ski problems in the area.

Commissioner James McCoy, who lives in the Oliver's Hill area, said last Tuesday that jet ski noise and safety was "a burning question" which he is keen to address.

"I have a file on my desk which commenced in 1990 with Environment Protection Authority reports, Port of Melbourne reports and others ... the fact of the matter is we're five years down the track and the skiers are there in increasing numbers some times from dawn to 11pm."

"The noise is absolutely appalling."

Mr McCoy said the commissioners had heard representations from groups concerned about Frankston beach.

Mr McCoy said the matter wasn't likely to come up in council meetings and new local laws weren't needed. "The legislation is there and they're breaking the law, effectively it's a lack of policing the matter."

"I understand the problems police and our by-laws officers have in policing it," Mr McCoy said. He said the problem needed "a coordinated attempt by council and Victoria Police to ensure the law is upheld."

Co-operative ownership the best option

THERE is one option for future ownership of Victoria's public utilities being ignored as the debate over privatisation of the electricity industry rages, according to Beechworth's Graeme Charles.

Mr Charles, chairman of the Co-Operative Energy Limited, a state-wide organisation aiming to foster the establishment and development of electric co-operatives in Victoria, said recently the co-operative model of ownership was alive and well in the United States but to date, neither the Liberal nor Labor Parties in Victoria had been prepared to publicly acknowledge its existence.

Mr Charles said the United States had over 1000 electric co-operatives in both urban and rural areas and they had a proud 50 year history of service to consumer members and their communities.

Mr Charles, a former accountant and now the Business Enterprise Facilitator for the Development Committee in the Indigo Shire, said the co-

operative idea was relevant, irrespective of the government of the day and its policies.

"Victoria's electricity industry has been a public monopoly which is now being privatised," he said.

"Since the 1930s the USA has had public, private and co-operative electric utilities.

"Co-operative consumers in the USA own and control and industry that is bigger than the entire Australian electricity industry.

"Many people have pointed out that private ownership of our electric industry will not necessarily result in reduced tariffs to consumers.

"Privately owned utilities have a responsibility to return profits to their investor owners.

"The electricity generation industry is particularly capital-intensive and provides much less than the normal expected return on capital," he said.

Mr Charles said co-operative ownership would enable consumers to enjoy direct ownership in a

way that they have not had previously and certainly would not get with private ownership or the industry.

"Electric co-operatives will enhance competition in the electric industry," he said.

"Many of the United States electric co-operatives exhibit the benefits that then to flow naturally from local ownership and control of any community enterprise," he said.

"They promote and provide services for their members and communities, in addition to electricity supply.

"Examples of these have been the establishment of a National Rural Utilities Co-Operative Finance Corporation.

"The Rural Telephone Bank, the National Rural Women's Network and the National Rural Health Network.

"Electric co-operatives are actively involved in the development of renewable energy technologies."

Mr Charles said Victoria's first electric co-operative in Orbost in Gippsland had recently

entered into negotiations with one of Victoria's new electricity distribution businesses to supply them with a source of renewable energy.

"The Orbost Power Co-Op proposes generating electricity utilising waste wood products," Mr Charles said.

"In the USA 47 per cent of power used by the electric co-operatives is generated by generation and transmission co-ops.

"The electric co-operative option was appropriate anywhere, but particularly in rural Victoria.

"Firstly because the population density in rural Victoria means that costs per consumers are higher and margins lower than in urban areas.

"This squeezes profitability and will pressure investor-owned utilities to maximise prices and minimise services.

Co-operative utilities have to meet their costs and their financial obligations, but they are not trying to make profits for investor owners and therefore having to increase prices and reduce services to generate this

profit," Mr Charles said.

"Secondly, because economic development opportunities in rural areas are particularly dependent on utility policies and practices.

"Ultimately the economic development of rural communities depends on these communities more than it does on government.

"That is why rural communities have adopted and supported the co-operative option through co-operatives such as Pivot, The Victorian Producers Co-Operative and Bonlac.

"Electric utilities owned and controlled by their rural communities will guarantee economic development.

"This option will be doubtful where utilities are controlled by capital city and foreign owners.

"Co-Operative Energy Ltd is keen to talk with any person or organisation that recognises this opportunity being presented to Victorians and is prepared to organise public meetings if there is sufficient community interest."

FRANK'S

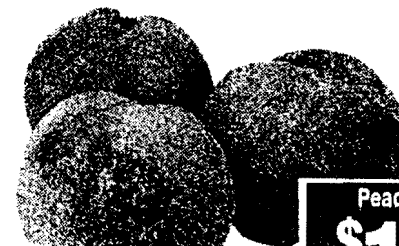
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Cooperative raises plan to run power company

By DAVID WALKER

A small community group is planning an audacious bid to have Victoria's first privatised electricity company sold to its workers and customers.

The group, led by a small company called Cooperative Energy Ltd, wants the State Government to let a cooperative buy United Energy, the new company that sells electricity to Melbourne's south-east.

With the Government under pressure over plans to sell much of the former SEC into foreign hands, Cooperative Energy says a cooperative could guarantee continued Australian ownership of United. It could also utilise the expertise of local electricity workers and let consumers keep control of their utility, the company says.

The secretary of Cooperative Energy, Mr David Griffiths, revealed his plans after three small public meetings in Frankston and Hampton Park voiced support for the cooperative.

But the scheme will need support from 5000 to 10,000 United Energy workers and consumers before it can go ahead. It will also need \$500 million to \$600 million of financing from members of the cooperative and outside financiers.

Mr Mike Fitzpatrick, of the infrastructure finance group Hastings Funds Management, said the cooperative could call on talented Australian electricity managers.

But he also warned that forming it as a cooperative "might have its limitations".

As yet, the group does not

appear to have the backing of senior electricity-industry managers.

Mr Griffiths said a public meeting would be held next month to launch a campaign for the cooperative. It would be followed by other meetings, approaches to local MPs and a letterbox campaign to raise backing, he said.

A cooperative is similar to a company, but does not aim to make a profit, allows no trading in its shares and gives all members a single vote regardless of shareholding size.

Mr Griffiths, a public servant who worked on failed efforts to promote cooperatives in the 1980s, wants to model United Energy on US energy cooperatives, which he says have 12 million customer-owners.

PAGE 20: US companies enter privatisation race

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NEWS

BAYSIDE TIMES 26 APRIL 1995

'Yes' to power co-op plan

by JOHN GAVEGAN

TWO public meetings in Frankston have endorsed co-operative ownership of the area's electricity distribution company United Energy, according to resident David Griffiths.

Mr Griffiths is secretary of Co-Operative Energy Limited set up in December last year, which initiated the two meetings.

"They endorsed pursuing the co-operative option as an alternative to privatisation of the electrical industry," he said.

Mr Griffiths said it was expected United Energy

would be sold in the next two months, probably to a foreign investor.

"The aim now is to foster the co-operative option and the setting up and development of electrical co-operatives," he said.

Mr Griffiths said technology would enable a co-operative to buy power from whomever it liked.

"We are not dependent on United Energy," he said.

"The more members we have, the greater the threat to United Energy that assumes that its householders and businesses are captive consumers."

Mr Griffiths said a co-operative feasibility steering committee had been set up to develop the proposal.

"We are also hopeful that United Energy workers might grasp the co-operative idea, as they are also electricity consumers," he said.

More public meetings are planned.

United Energy communications manager Wayne Debernardi said he could not comment on privatisation because it was a State Government matter.

Mr Debernardi said the next few years would see

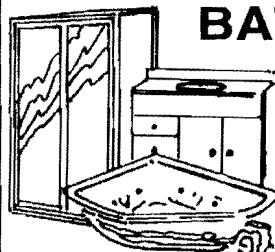
industry competition that gave consumers a choice of suppliers.

"This will result in prices being competitive to keep customers and possibly an area that the new co-operative has not considered," he said.

Mr Debernardi said United Energy would keep providing an excellent service to customers at the best possible prices.

"That is certainly our vision for the future and not one that assumes our customers are captive, but rather will want to stay because of good service," he said.

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Electricity users to fight for control

A CO-OPERATIVE of electricity consumers is mounting an ambitious campaign to buy United Energy.

The Government says it has 50 potential buyers interested in buying the

by **JANET BLAIR**

Energy to apply for registration as a co-operative. Then it needed to build up its membership.

The group hoped to have

generated could be used for community projects.

He said the group had a fall-back plan if United Energy was sold before the co-operative could raise the finance. A co-operative of domestic users could use

A CO-OPERATIVE of electricity consumers is mounting an ambitious campaign to buy United Energy.

The Government says it has 50 potential buyers interested in buying the electricity supplier formed by the merger of part of the SEC with the Box Hill and Doncaster-Templestowe councils' electricity departments.

It hopes to get \$500 million to \$900 million from the sale, 4.8 per cent of which will go to Manningham Council.

The consumer group, calling itself Southern Energy, hopes to prevent the utility falling into foreign ownership.

A spokesman for the group, Mr David Griffiths, acknowledged the plan was ambitious but said it was not impossible.

Members of the group intending to form the co-operative were already "in discussion with financial interests", he said.

The proposal has been discussed with Government and Opposition members of Parliament.

"The major problem we have is that people don't know much about the co-operative option," he said.

Mr Griffiths said the first step was for Southern

by JANET BLAIR

Energy to apply for registration as a co-operative. Then it needed to build up its membership.

The group hoped to have at least 2000 members by the end of the year, he said.

Anyone could become a member of the proposed co-operative by buying shares which the group planned to sell for \$10 each.

Under the co-operative model, each shareholder, regardless of the size of his or her holding, had an equal say in the co-op.

However, bigger shareholders would eventually receive larger rebates on their electricity bills.

Mr Griffiths said the co-operative would exist to serve members rather than to create profits. Profits

generated could be used for community projects.

He said the group had a fall-back plan if United Energy was sold before the co-operative could raise the finance. A co-operative of domestic users could use its bulk buying power to obtain better electricity deals for household consumers in the same way as business consumers, he said.

A spokesman for the Treasurer, Mr Alan Stockdale, said information memoranda on United Energy had been distributed to about 50 prospective foreign and domestic buyers. He would not reveal how many were sent overseas, but expected the company to be sold by mid-year.

Mr Griffiths can be contacted on 629-3277 (BH) or 775-5901 (AH).

Scout hopes for funds



BOX Hill scout Jason Crocker would be thankful for any contributions towards raising money to go to an Agoonoree in Japan for scouts with disabilities.

Read his story on page 25.

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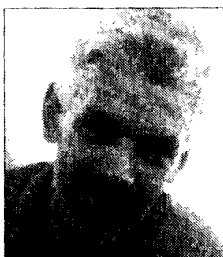
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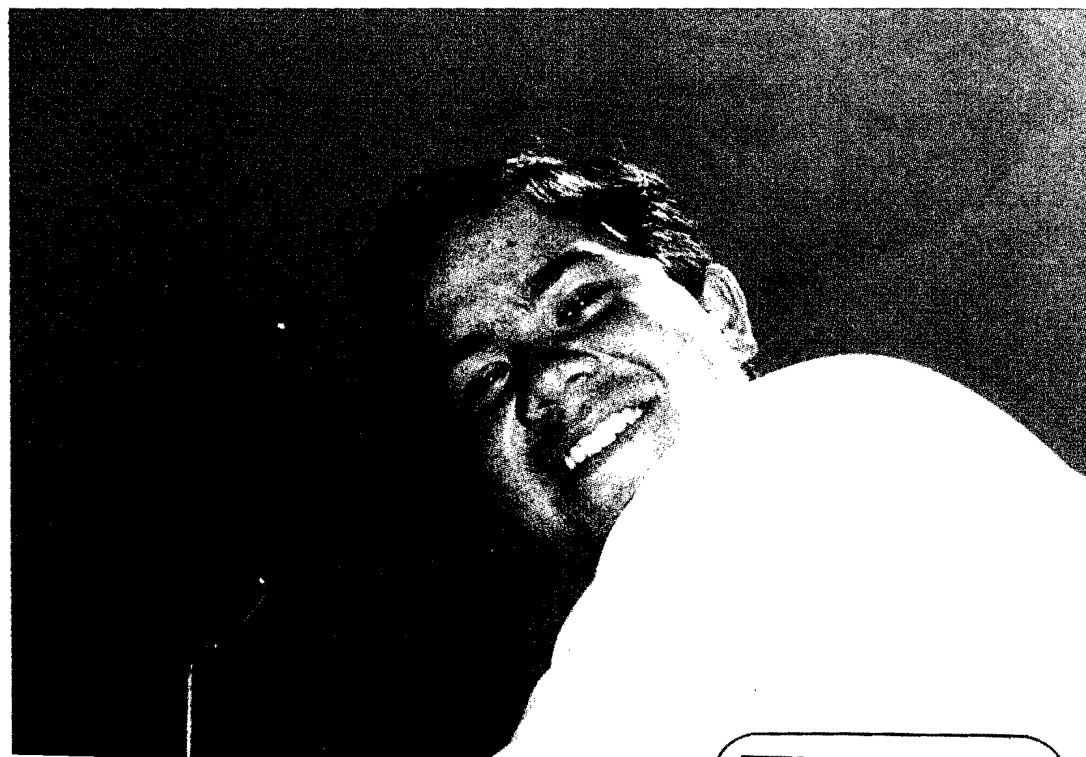
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BID FOR POWER CO-OP



WITH the sale of United Energy imminent, a Frankston man is calling for an entire rethink on ownership of the electricity distributor.

He might call a public meeting to discuss a cooperative ownership option.

At a time when neither Liberal nor Labor parties will even acknowledge the option of cooperative ownership of public utilities, David Griffiths is calling for consumers to protest privatisation and corporatisation, and demand cooperative ownership.

Mr Griffiths is Secretary of Co-operative Energy Ltd, registered last month "with the aim of fostering the co-operative option, the establishment and development of electric co-operatives."

On the local level, he said "If there is sufficient interest in the community we'll go ahead and organise a public meeting soon, so we can start pressuring local politicians and United Energy".

Mr Griffiths said it was "particularly disappointing that our local utility, United Energy, will be the first (state electrical) company to be privatised."

"There is no advantage for consumers having private electric utilities whose responsibility is to create profits for their investor owners," Mr Griffiths said.

But United Energy Communications Manager Wayne Debernardi said "United Energy is committed to its customers. The competition that is being introduced into the electricity industry means we must be able to provide an excellent service at the best possible prices."

The sale of United Energy is expected within three months, most likely to foreign investors, earning the Government between \$500 million and \$900 million.

Mr Griffiths said cooperative ownership enabled consumers "direct ownership in a way that they don't get in public ownership and certainly not in private ownership. Every consumer would be eligible to elect directors at Annual General Meetings with equal voting rights irrespective of the amount of energy they consume."

"Big companies in the US use 70 per cent of the power of some co-operatives but they only have one vote, that's the nature of cooperatives," Mr Griffiths said.

"The membership has a say in addressing the priorities and concerns of what direction the cooperative should be taking."

"Energy supplies are completely critical to the whole question of economic development and people in the area served by the cooperative would have a major say in industry and business development in the area, not big investors who live outside it."

Mr Griffiths said the cooperative model of ownership was alive and well in the United States, but neither party here in Victoria wanted to acknowledge it. "they've got about 1000 electric co-operatives, serving both urban areas and areas like the peninsula, those cooperatives have a total of about 12 million consumer members. There's quite a substantial experience of a cooperative model."

Mr Griffiths was a member of the former Labor Government Ministerial Advisory Committee on Cooperatives in which "Labour just was not interested."

The committee became redundant with the election of the current government, and its privatisation platform. "I've pursued the issue of the cooperative option," Mr Griffiths said.

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